

Market Facilitation Program Available to Assist Producers Due to Trade Disputes

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The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) established the Market Facilitation Program (MFP) under the Commodity Credit Corporation (CCC) Charter Act. The CCC was created to support and protect farmers' incomes, as MFP does. MFP provides direct payments to producers of specific products impacted by foreign retaliatory tariffs. These products include:

- Corn
- Cotton
- Sorghum
- Soybean
- Wheat
- Dairy
- Hogs

This assists in the
additional markets and

Applying and receiving
the link below. Then,
must have accurate and
baseline for payment.
monetary support is provided to protect farmers' incomes.



expansion of domestic markets or the development of new and
uses.

MFP is a simple process. First, the producer must apply using
three factors are assessed to determine their eligibility. They
approved documentation of production levels to create a
Fees are determined based on the production level and

Producers may apply for MFP from 09/04/2018 - 02/14/2019 at

www.farmers.gov/MFP

Eligibility

Producers eligible for the program must have an interest in the commodity and be actively farming. They must also comply with "Highly Erodible Land and Wetland Conservation" regulations, also known as conservation compliance provisions. The producer's average adjusted gross income may not exceed \$900,000 for 2014, 2015 and 2016.

Crops

A producer may be asked by the CCC to provide documentation that verifies the amount of production. This documentation must be reliable and approved as such. Some possible documentation includes:

- Receipt copies
- Ledgers of income
- Income statements of deposit slips
- Register tapes
- Invoices for custom harvesting
- Records to verify production costs, contemporaneous measurements, track scale tickets
- Contemporaneous diaries (accepted by FSA county committee)

Producers must have a crop acreage report on file with FSA for MFP crop commodities.

Each corn, upland cotton, sorghum, soybean and wheat producer is required to be a person or legal entity who was actively engaged in farming in 2018.

Dairy and Hog Production

Dairy production payment is based on the historical production reported for the Margin Protection Program for Dairy (MPP-Dairy). This MPP-Dairy program, like the MFP program, is an FSA risk management program for producers. MFP uses the same baseline method as MPP-Dairy to ensure accurate production levels. For existing dairy operations, the production history is established using the highest annual milk production marketed during the full calendar years of 2011, 2012, and 2013. Dairy operations must have operated on June 1, 2018 to be eligible.



A baseline must be established for hogs as well. It is based on the total number of heads of live hogs on August 1, 2018. To verify this number and receive payment, production records for hogs may include:

- Breeding records
- Inventory records
- Sales receipts

- Rendering receipts
- Veterinary records

Other forms of proof may be accepted, but must be approved.

Payments

There are two potential payment periods. The first starts September 4, 2018, and is issued on the first 50 percent of the producer's total production of a commodity. The MFP payment is determined as follows:

$$\text{Market Facilitation Program Rate} \times 50\% \text{ of Total 2018 Actual Production} \\ = \text{Payment}$$

The initial MFP rates are as follows:

- | | |
|------------------------------|---|
| • Cotton \$0.06 per pound | • Wheat \$0.14 per bushel |
| • Corn \$0.01 per bushel | • Dairy \$0.12 per cwt. |
| • Sorghum \$0.86 per bushel | • Hogs \$8.00 per head (number of heads as of 08/01/2018) |
| • Soybeans \$0.86 per bushel | |

For example, if Tyler produced 30,000 bushels of soybeans and 34,400 bushels of corn. Tyler's soybean MFP payment would be calculated as \$0.86/bu x 50 percent of 30,000 bushels or \$12,900. For corn, the MFP payment would be \$0.01 times 50 percent of 34,400 bushels, or a payment of \$172. Tyler's total payment would be \$13,072. This payment will only be made once Tyler harvests 100 percent of his corn and soybean crops and certifies the amount the production with FSA.

If the second payment is applicable to the producer, it will be applied to the remaining 50 percent of their production. The second payment rates will be announced by CCC on or about December 3, 2018. The second MFP payment is determined as follows:

$$\text{Second Market Facilitation Rate} \times \text{Remaining 50\% of Total 2018 Actual Production} \\ = \text{Payment}$$

An MFP payment, based on either the initial or second payment rate, will be made after a producer harvests 100 percent of the crop and certifies the amount of production.

Limitations

MFP payments are capped per person or legal entity as follows:

- A combined \$125,000 for eligible crop commodities
- A combined \$125,000 for dairy production and hogs



MFP payments do not count against other 2014 Farm Bill payment limitations.

Where to File

The CCC-910 Market Facilitation Program application form should be completed after 100 percent of the product is harvested. It will require production evidence for each commodity and a signature by the farmer or legal entity.

The application form opens September 4, 2018, and closes January 15, 2019. It can be found at www.farmers.gov/MFP. It can be completed in person at a local FSA office, submitted electronically through faxing, scanning or emailing, or mailed to your local FSA office.

More Information

For more information, visit www.farmers.gov/MFP or contact your local FSA office. To find your local FSA office, visit www.farmers.gov.